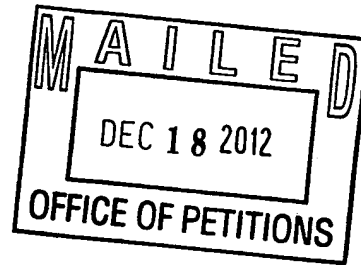




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In re Patent No. 6,228,074
Almeida et al.
Issued: May 08, 2001
Application No. 09/173,422
Filed: Oct. 15, 1998
For: MULTIPLE PULSE PHOTO-
EPILATOR

ON PETITION

This is a decision on the petition filed October 12, 2012 requesting the Director exercise his supervisory authority and overturn the decision of the Director, Office of Petitions (Office of Petitions Director), dated August 13, 2012, on the petition to accept an unavoidably delayed payment of a maintenance fee under 37 CFR 1.378(b) filed on May 21, 2012, which is being treated as a request for reconsideration.

The petition to overturn the decision of the Office of Petitions Director dated August 13, 2012, is **DISMISSED**.

Any request for reconsideration must be filed within **TWO MONTHS** of the date of this decision. **This period may not be extended.** 37 CFR 1.181(f).

BACKGROUND

On October 15, 1998, the application which matured into the subject patent was filed.

On May 8, 2011, the application issued as U.S. Patent No. 6,228,074.

On May 8, 2008, the window for payment of the second maintenance fee opened.

On November 10, 2008, the second maintenance fee was due with a surcharge.

On May 8, 2009, the patent expired for failure to timely pay the second maintenance fee.

On November 8, 2011, a petition under 37 CFR 1.378(b) was filed.

On November 21, 2011, the petition was dismissed.

On January 19, 2012, a request for reconsideration under 37 CFR 1.378(e) was filed.

On March 21, 2012, a request for information letter was mailed.

On May 21, 2012, a renewed request under 37 CFR 1.378(e) was filed.

On August 31, 2012, a decision denying the petition was mailed.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

35 USC 41(c)(1) states, in pertinent part:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six- month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable.

37 CFR 1.378(b) states:

Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:

- (1) The required maintenance fee set forth in § 1.20 (e) through (g);
- (2) The surcharge set forth in § 1.20(i)(1); and
- (3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the

maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

MPEP 711.03(c) states:

2. Unavoidable delay.

As discussed above, “unavoidable” delay is the epitome of “unintentional” delay. Thus, an intentional delay precludes revival under 37 CFR 1.137(a) (“unavoidable” delay) or 37 CFR 1.137(b) (“unintentional” delay). See *Maldague*, 10 USPQ2d at 1478. Decisions on reviving abandoned applications on the basis of “unavoidable” delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word unavoidable’ . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-15 (1912)(quoting *Pratt*, 1887 *Dec. Comm’r Pat.* 31, 32-33 (1887)); see also *Winkler v. Ladd*, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), *aff’d*, 143 USPQ 172 (D.C. Cir. 1963); *Ex parte Henrich*, 1913 *Dec. Comm’r Pat.* 139, 141 (1913). In addition, decisions on revival are made on a “case-by-case basis, taking all the facts and circumstances into account.” *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was “unavoidable.” *Haines v. Quigg*, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of “unavoidable” delay, provided it is shown that:

- (A) the error was the cause of the delay at issue;
- (B) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; and
- (C) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

See *In re Egbers*, 6 USPQ2d 1869, 1872 (Comm'r Pat. 1988), *rev'd on other grounds sub nom., Theodor Groz & Sohne & Ernst Bechert Nadelfabrik KG v Quigg*, 10 USPQ2d 1787 (D.D.C. 1988); *In re Katrapat*, 6 USPQ2d 1863, 1867-68 (Comm'r Pat. 1988). For example, where an application becomes abandoned as a consequence of a change of correspondence address (the Office action being mailed to the old, uncorrected address and failing to reach the applicant in sufficient time to permit a timely reply) an adequate showing of "unavoidable" delay will require a showing that due care was taken to adhere to the requirement for prompt notification in each concerned application of the change of address (see MPEP § 601.03), and must include an adequate showing that a timely notification of the change of address was filed in the application concerned, and in a manner reasonably calculated to call attention to the fact that it was a notification of a change of address.

MPEP 2590 states:

I. UNAVOIDABLE DELAY

37 CFR 1.378(b) provides that a patent may be reinstated at any time following expiration of the patent for failure to timely pay a maintenance fee. A petition to accept late payment of a maintenance fee, where the delay was unavoidable, must include:

- (A) the required maintenance fee set forth in 37 CFR 1.20(e)-(g);
- (B) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (C) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent.

The required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly. Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

As language in 35 U.S.C. 41(c)(1) is identical to that in 35 U.S.C. 133 (i.e., "unavoidable" delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. 133. See *Ray v. Lehman*, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting *In re Patent No. 4,409,763*, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), *aff'd sub nom. Rydeen v. Quigg*, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff'd*, 937 F.2d 623 (Fed. Cir. 1991) (table), *cert. denied*, 502 U.S. 1075 (1992)). See MPEP § 711.03(c) for a general discussion of the "unavoidable" delay standard.

As 35 U.S.C. 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. *Ray*, 55 F.3d at 609, 34 USPQ2d at 1788. That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. *Id.* Thus, where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, the patentee's lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. See *Patent No. 4,409,763, supra*. See also Final Rule entitled "Final Rules for Patent Maintenance Fees," published in the *Federal Register* at 49 *Fed. Reg.* 34716, 34722-23 (August 31, 1984), and

republished in the *Official Gazette* at 1046 *Off. Gaz. Pat. Office* 28, 34 (September 25, 1984). Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. Thus, evidence that despite reasonable care on behalf of the patentee and/or the patentee's agents, and reasonable steps to ensure timely payment, the maintenance fee was unavoidably not paid, could be submitted in support of an argument that the delay in payment was unavoidable. For example, an error in a docketing system could possibly result in a finding that a delay in payment was unavoidable if it were shown that reasonable care was exercised in designing and operating the system and that the patentee took reasonable steps to ensure that the patent was entered into the system to ensure timely payment of the maintenance fees.

OPINION

Petitioners specifically request that the Director overturn the Office of Petitions Director's decision of August 13, 2012 and accept the delayed payment of the second maintenance fee.

The gravamen of petitioners' argument is that petitioner has, in fact, shown that the error which resulted in the delay in payment of the maintenance fee was an unavoidable clerical error. Petitioner recites that an adequate showing requires:

(A) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them.

(B) Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person responsible for the maintenance of the system. This showing must include copies of mail ledgers, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due.

(C) Petitioner must supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

Petitioner asserts that it has met the burden required by the showing listed above.

Petitioners' argument have been considered, but, for the reasons stated, below, are not persuasive.

At the outset, petitioner is reminded that 35 U.S.C. 133 does not require the Director to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing. *Cf. Commissariat A. L'Energie Atomique v. Watson*, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960).

Petitioner asserts that the previously submitted declaration of Keith Schultz shows that Mr. Schultz failed to instruct CPI to transfer the electronic docketing information of the subject expired patent. Petitioner further states that the prior decision acknowledges a "clear explanation of the clerical error causing the Petition Patent to go abandoned." (*Petition filed October 12, 2012, Pg. 3*)

Contrary to petitioners' assertion, however, a clear explanation of the error was not provided. In this regard, the Schultz declaration simply states that "[W]e make arrangements to have the Client's physical files transferred. We further made arrangements, in coordination with CPI, to transfer the Client's electronic docket entries on the CPI system to Seyfarth." Rather, petitioner has not explained who in fact was responsible for the determination of the information to be transferred during the file transfer.

Simply put, nowhere in the Schultz declaration does it state whether Schultz was responsible for making the determination of what information to send to CPI or Seyfarth Shaw (hereinafter "SS"). Rather, the Schultz declaration simply states that Schultz "coordinated the transfer of electronic docketing information through our docketing software vendor CPI to facilitate the transfer of docketing information." The declaration does not state, however, whether Schultz, CPI, or another entity, was the responsible party for determining what information would be sent.

Furthermore, nowhere in the Schultz declaration does it state that Schultz "inadvertently failed" to send the information which resulted in the delay in payment of the maintenance fee. Rather, the Schultz declaration states that Schultz was "unsure why a request for the electronic transfer of docketing information for only selected files was sent to CPI, for the Client."

If the error which led to the delay in the payment of the maintenance fee was caused by Schultz, not only must petitioners provide a statement from Schultz to the effect that Schultz's error caused the delay in payment of the maintenance fee, but also that there was in place a business routine for performing this clerical function that could be reasonably relied upon to avoid errors, and that the employee was sufficiently trained and experienced with regard to the function and routine for performance that reliance upon such employee represented the exercise of due care. Simply put, petitioners have failed to identify the error which was the cause of the delay at issue.

Petitioners have not shown that there was in place a business routine which could be reasonably relied upon. In this regard, the showing of record is that there was no routine in place prior to the transfer of the files, this was a one-time, extraordinary event rather than a business routine. Furthermore, the fact that not one but two client matters were apparently not properly transferred leads to questions about the reliability of whatever process was being used. Moreover, the showing of record suggests that petitioners had no way to verify the reliability of said process.

Not all of the sources of error have been identified. In this respect, petitioners now state that "this clerical error by Schultz compounded and apparently caused other failure by BR in the transfer of the files between the two firms. Petitioners must show that the entire delay was unavoidable, and must therefore clearly identify all sources of error which led to the delay in payment of the maintenance fee.

Further, petitioners state that the physical files, as referenced in the declaration of June Kaps, created a counter-check against the failure to transfer electronic information. However, petitioners have not explained the routine by which physical files were checked against the electronic records. Further, the showing of record is that the "counter-check" referenced here failed to note that the proper docketing information had been transferred for the two patents which became expired for failure to pay the maintenance fees.

Further still, petitioners assert that it had a reliable system which discovered that the '986 patent had become expired in that Brown Rudnick forwarded a USPTO notice of patent expiration to SS, which then filed a petition under 37 CFR 1.378(c) to reinstate the patent.

Petitioners argument overlooks, however, that reliance on receipt of maintenance fee notices from the USPTO cannot be part of a reliable docketing system because the USPTO is not under any obligation to send notices of patent expiration. Furthermore, the '986 patent did in fact expire and was revived under 1.378(c). While the delay in payment of the maintenance fee in the '986 patent was found to be unintentional, petitioners have not shown that the delay was unavoidable.

The subject petition was filed under § 1.378(b) and petitioners must therefore provide a documented showing that the entire delay was unavoidable. A system that relies upon USPTO notices that the patent has already expired does not rise to the level of unavoidable delay.

Lastly, petitioner refers to the error as an "inadvertent transfer docketing error" the Office does not dispute that the error was inadvertent, simply that petitioner has not shown that the entire delay was unavoidable.

Lastly, petitioners were requested, in the Request for Information letter mailed on March 21, 2012, to provide statements from Deborah Hopkins and Betty McCorkle, as Mr. Schultz states that Ms. Hopkins and Ms. McCorkle worked on the transfer of electronic files with Mr. Schultz. See Schultz Declaration, Pg. 2. It is further noted that the declaration of registered patent practitioner Mark S. Leonardo, states that Mr. Schultz worked under Ms. Hopkins at Brown Rudnick. *Declaration of Mark S. Leonardo, Esq. Exhibit E. to petition filed on May 21, 2012*, Pg. 13.

Petitioners asserted, in the renewed petition filed on May 21, 2012, signed by registered patent practitioner John C. Serio, that a statement by Ms. Hopkins, "would not add to the record, as she oversaw the high level operation of the file room and did not engage in the day to day activities, such as the Transfer, which was handled by Schultz." *Petition filed May 21, 2012*, Pg. 4.

As acknowledged by petitioner, item "(C)" of the showing of unavoidable delay requires: information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks. Thus, given that Mr. Schultz' work was supervised by Ms. Hopkins, a statement by Ms. Hopkins is certainly relevant to the determination of whether the delay was unavoidable. In the absence of such a statement, or an explanation as to why, despite petitioner's diligent efforts, such a statement could not be obtained, the showing of record mitigates against a finding of unavoidable delay.

DECISION

A review of the record indicates that the Petitions Office Director did not abuse his discretion or act in an arbitrary and capricious manner in the petition decision of August 13, 2012. The record establishes that the Petitions Office Director had a reasonable basis to support his findings and conclusion.

The petition is granted to the extent that the decision of the Petitions Office Director of August 13, 2012 has been reviewed, but is denied with respect to making any change

therein. As such, the decision of August 13, 2012 will not be disturbed. The petition is **dismissed**.

Telephone inquiries concerning this decision should be directed to Senior Petitions Attorney Douglas I. Wood at (571) 272-3231.

A handwritten signature in black ink, appearing to read 'Anthony Knight', is written over the printed name.

Anthony Knight
Director
Office of Petitions/
Petitions Officer